

News Release



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Labor Department Obtains Court Judgment Restoring Assets to Minneapolis 401(k) Plan

MINNEAPOLIS, Minn. —The U.S. Department of Labor today obtained a consent judgment requiring Liberty Tool and Engineering Corp., Minneapolis, and its president to restore \$14,387.47 to the company's 401(k).

The department's lawsuit alleges the company and Charles Schroeder violated the Employee Retirement Income Security Act by failing to timely remit to the plan employee contributions owed for the period Aug. 31, 2000 to July 11, 2002. Schroeder allegedly commingled the contributions with the general assets of Liberty Tool and used them for the benefit of the company and himself. Charles Schroeder is the owner and president of Liberty Tool.

Liberty Tool, a Minnesota corporation, has eight employees in Minneapolis. The company sharpens and repairs cutting tools primarily for the aircraft industry. As of Dec. 31, 2002, the 401(k) had \$199,739 in assets.

"The law requires plan fiduciaries act responsibly in managing money set aside in retirement plans for the benefit of workers and their families," said Steven Eischen, director of the department's Kansas City regional office of the Employee Benefits Security Administration (EBSA). The Kansas City regional office investigated the case.

Employers with similar problems who are not yet the subject of an investigation by EBSA may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the program requires employers to reimburse plans and participants but allows them to avoid EBSA enforcement actions and civil penalties as well as any applicable excise taxes. For more information about the VFCP, see www.dol.gov/ebsa.

In fiscal year 2004, EBSA achieved record monetary results of \$3.1 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can contact the regional office at (816) 426-5131 or EBSA's toll-free number at **1-866-444-EBSA (3272)**, for help with problems relating to private-sector retirement and health plans.

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(Chao v.Schroeder)
Civil Action No. 05-cv-113

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